



**Child Development
Division**

**MANAGEMENT
BULLETIN**

Subject: Application for Facilities Renovation and Repair Funds	No.: 03-06
Authority: California <i>Education Code</i> , Chapter 2, Section 8278, and 2002 Budget Act, Chapter 379, Item 6110-196-0001, Provision (2)(e)	Date: May 2003
	Expires: June 30, 2003

IMPORTANT DATES

Application Due DateJune 6, 2003
Random Draw (if needed) June 11, 2003
Application Results Notification.....June 2003*

*The date listed above is a proposed date and is subject to change.

CDD Web site: <http://www.cde.ca.gov/cyfsbranch/child_development/index.html>

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• **APPLICATION and ATTACHMENTS**

1. PURPOSE OF THIS MANAGEMENT BULLETIN

This Management Bulletin announces the availability of approximately \$8 million in Facilities Renovation and Repair (FRR) funds, and informs agencies of the eligibility and application requirements necessary to apply for these funds. Contractors serving state-subsidized families in licensed or license-exempt center-based programs are eligible to apply for this funding. These funds provide agencies assistance in their efforts to maintain healthy, safe, and accessible environments for children participating in state-subsidized programs.

2. BACKGROUND

California *Education Code (EC)* Section 8278 establishes the authority for the California Department of Education (CDE), Child Development Division (CDD), to allocate funding for one-time expenditures for activities that benefit children in subsidized child care and development programs. *EC* Section 8278(b)(3) authorizes the use of these funds for deferred and major maintenance of existing facilities. Consistent with this Section, each fiscal year the Governor's Budget identifies the amount of funding available for distribution. The 2002 Budget Act authorized funding for facilities renovations and repairs necessary to meet health and safety standards and to comply with the federal American with Disabilities Act (ADA) of 1990. Approximately \$8 million are available for distribution through this Management Bulletin.

3. TERMS USED IN THIS MANAGEMENT BULLETIN

Definitions of terms used throughout this Management Bulletin follow in alphabetical order:

"adjusted certified enrollment"	Enrollment factor to adjust for the varying cost of part-time services and to recognize the additional costs of providing services to different categories of children in a program
"application"	The form and required attachments described in this Management Bulletin for interested agencies to complete and submit a request for funding
"CDE" (all caps)	California Department of Education
"cde" (all lowercase)	child days of enrollment
"certified enrollment"	Number of state subsidized children enrolled at a particular site
"child care and development facility"	Any residence, building, or part thereof where child care and development services are provided
"MRA"	Maximum Reimbursable Amount an agency is entitled to receive under its contract with CDE
"noncertified enrollment"	Number of children enrolled at a particular site whose enrollment is funded from a source other than CDE/CDD

"playground"	An improved outdoor area that adjoins a child care or child development facility and is designed, equipped, and set aside for children's play, including: 1) climbing structures and other stationary, outdoor play equipment, 2) surfacing, 3) fencing, 4) internal pathways, 5) internal land forms, 6) lighting, 7) benches, 8) picnic tables, 9) shade, and 10) other related structures
"prorated portion"	The percentage of eligible funding based on certified enrollment
"CDE contractor"	An agency that possesses a current, executed contract with CDE to provide center-based, child care and development services

4. PROGRAM INFORMATION

A. Eligibility/Who May Apply

Agencies may apply for funds only if they:

1. Have an executed contract with CDE to provide center-based child care and development services through one or more of the following CDD program types:

GCAM - Campus Child Care	GMIG - Migrant Child Care
GCTR - General Child Care	GPRE - State Preschool (Part-Day)
GHAN - Handicapped Child Care	GWAP - State Preschool (Full-Day)
GHUD - General HUD Child Care	FCTR - CCDF, Center Based
GLTK - Extended Day Care (Latchkey)	FHUD - Federal HUD Child Care

2. Have a current license, or are exempt from licensing, at the site for which they are applying.

Agencies do not qualify for this funding if any of the following conditions exist:

1. The agency operates a non-qualifying CDE program. Examples of non-qualifying CDE programs include: Alternative Payment, California School Age Families Education (Cal-SAFE), After School Education and Safety Program, Family Child Care Homes, Family Child Care Home Networks, and Resource and Referral.
2. The agency does not contract directly with CDE, but subcontracts with a CDE contractor to provide services for CDE subsidized children.
3. The contractor failed to reimburse CDE for amounts owed to CDE for unexpended FRR funding from prior contracts.
4. The agency does not currently provide services at a site because they have not yet obtained a required license for that site.

CDE reserves the right to reject any application based on a contractor's failure to comply with contracted requirements in prior contracts or stipulated agreements with CDE.

B. Funding Levels

The following two factors determine the maximum amount of funding available to an eligible agency:

1. The contractor's total combined MRA for qualifying contracts (see table below).

Total Combined Agency MRA for Eligible Contract Types	Maximum Award Amount
\$0 to \$999,999	10% of total MRA not to exceed \$25,000
\$1,000,000 to \$2,499,999	Up to \$50,000
\$2,500,000 to \$4,999,999	Up to \$75,000
\$5,000,000 to \$7,499,999	Up to \$100,000
\$7,500,000 to \$9,999,999	Up to \$125,000
\$10,000,000 and over	Up to \$150,000

2. The percentage of the contractor's adjusted certified enrollment (see Application, Part II). The contractor's current enrollment at each individual site is the key factor in determining the prorated portion of project costs. Contractors cannot temporarily redirect children (physically or administratively) to other program sites in order to increase the percentage of certified enrollment factors at a particular site to allow for additional funding. CDD requires *applicants to maintain the enrollment documentation used to apply for funds with their contract to substantiate the certified enrollment information contained in the application.* Auditors review enrollment calculations at the time the contract is audited.

C. Use of Funds

CDD requires contractors to use the funds awarded through this Management Bulletin to accomplish deferred or major maintenance facility projects to bring facilities into compliance with the American with Disabilities Act of 1990 and the Title 22, Division 12 licensing requirements. **Use of these funds for repair and renovation of playgrounds is not allowed.**

Funding awarded through this application process must be dedicated to approvable projects at the proposed sites listed in the application. These sites must be licensed and currently serving children in center-based state-subsidized child care and development programs.

Examples of approvable projects:

1. **ADA Compliance:** Deferred and major maintenance projects to increase accessibility for children with disabilities in CDE/CDD programs. All ADA repairs or renovations submitted with this application must comply with the ADA Accessibility Guidelines for Buildings and Facilities. The ADA Accessibility Guidelines for Buildings and Facilities Web site address is <<http://www.access-board.gov/adaag/html/adaag.htm>>.

Approvable ADA projects include, but are not limited to, the following:

- Purchase and install ADA accessibility signs.
- Remodel door casings or replace doors impeding access.
- Remodel fixed or built-in seating or tables.
- Remodel or replace bathroom lavatories, fixtures, or controls.
- Repaint parking surface(s) to establish required ADA accessible parking spaces and access aisles in parking areas designated for CDE/CDD programs.
- Repair or install appropriate access routes.
- Repair or install elevated wheelchair access platforms.
- Repair or install wheelchair access ramps, landings, surfacing, or transfer systems.
- Repair or purchase ADA compliant fixed storage equipment (cabinets, shelves, and closets).

2. **Health and Safety Compliance:** Repair or renovation of a child care facility to resolve either of the following:

- *Health and Safety Code* violation issued by the Department of Social Services, Community Care Licensing Division; CDE; or local fire or health department.
- *Health and Safety Code* violation or concerns that were revealed through an agency's internal, self-assessment program.

Approvable health and safety projects include, but are not limited to, the following:

- Industrial cleaning of facility.
- Paint the building's interior or exterior walls.
- Remove or replace wallpaper.
- Repair or install air conditioning or heating systems.
- Repair or install observation windows in infant centers.
- Repair or install safety lighting.
- Repair or replace faulty electrical wiring.
- Repair or replace unsafe appliances.
- Repair or replace unsafe carpet, linoleum, or tile.
- Repair or replace unsafe windows, doors, or floors.
- Repair, replace, or install storage sheds.
- Repair unsafe sidewalks or parking lots.
- Replace unsafe cubbies and storage cabinets.

D. Funding Restrictions

1. FRR funds cannot be used to accomplish any of the following:

- Pay for a major improvement that increases the value of a child care facility.
- Pay for initial playground inspection conducted by a certified playground safety inspector.
- Purchase or construct a child care facility.
- Purchase, repair, or improve playground equipment or any items relating to playground areas.
- Purchase, lease, or improve land.
- Reimburse an agency for expenses incurred in the preparation of this application.

2. Other inappropriate uses of funds include, but are not limited to, the following:

- Bonus payments for early completion of work.
- Construction of new bathrooms.
- Costs connected with contractor claims against the grantee.
- Costs incurred prior to the execution of the Local Agreement for Child Development Services contract.
- Expenses incurred for meetings, workshops, trainings, foods, or beverages.
- Extension of sewer lines.
- Fines or penalties incurred for violation of federal, state, or local laws, ordinances, or regulations.
- Indirect costs.
- Interest charges or payments on bonds or indebtedness required to finance project costs.
- Modification of an existing facility to increase licensing capacity or program expansion.
- Overhead expenses such as costs for rental/lease of space, utilities, office supplies, and other miscellaneous project costs.
- Personnel costs.
- Purchase equipment or supplies such as cots and linens.
- Purchase equipment or supplies such as books and dramatic play areas to meet curriculum needs.
- Renovate libraries, staff rooms, or other areas that do not serve families or children.
- Replace, relocate, or purchase portable buildings.
- Security/Surveillance cameras.
- Telephone systems.
- Travel or per diem expenses.

CDD reserves the right not to approve any major capital outlay projects that do not meet the intent of FRR funds.

E. Application Submission Requirements

Applicants should carefully review the information in this bulletin and the instructions in the application before submitting an application for FRR funding. Applicants must follow the format instructions and complete all required sections of the application. **Failure to follow the submission requirements below will result in a rejected application and no further review will be made.**

1. Submit one (1) original and two (2) copies of the completed application to the address below:

**CDE Child Development Division
MB 03-06/FRR
1430 N Street, Suite 6308
Sacramento, CA 95814**

2. Copies of state licenses for those facilities to be repaired must be submitted with the application package unless the agency is exempt from licensing.
3. All applications must be received in CDD, at the address listed above, no later than:

**Friday, June 6, 2003
5 p.m.**

4. Applicants have sole responsibility to ensure CDD receives the required **original and two (2) copies** of their application by the stated deadline. CDD will disqualify incomplete or late applications and they will not be reviewed. Each application must be complete when submitted. No changes, modifications, corrections, or additions may be made to the application(s) once it has been received. NO EXCEPTIONS WILL BE MADE.
5. Applicants may mail or personally deliver the applications. Applicants **must not** address the application package to CDE's post office box, nor to any other division within CDE. The postmark or date a delivery service received the application will not be accepted in place of the date the application packages were received by CDD. If the agency elects to mail rather than hand deliver its application packages, the agency may use a mail delivery process that will provide it with a receipt showing the date and time the application packages were actually received by CDD.
6. Signed certifications contained in the application must be signed by the agency's authorized representative with the legal authority to engage the agency and its resources in a contractual agreement.
7. Applicants agree that in submitting an application, they authorize CDD to verify any and all claimed information and any references named in the application.

F. Cost of Developing the Application

The applicant accepts sole responsibility for all costs incurred in the development of its application. These costs are not reimbursable even if the contractor is awarded funds through this Management Bulletin.

G. Application Review Process

CDD will date and time stamp all applications upon receipt. Applications received no later than 5 p.m. on Friday, June 6, 2003, will be screened for completeness and compliance with the requirements outlined in this Management Bulletin. Applications that do not comply with submission requirements will be disqualified and ineligible for further review. Omission of any required document, failure to use required formats for response, or failure to respond to any requirements may lead to rejection of the application.

H. Appeal of Funding Decisions

There is no appeal process for agencies that are not selected for funding because funding described in this Management Bulletin is for one-time-only funds, and the award of funds is distributed through a noncompetitive process.

5. AWARD OF FUNDS

A. Random Draw

CDE will fund as many applications as available funds permit. CDD will hold a random draw to determine the funding rank order if funding requests exceed the funds available. If a random draw process is necessary, the draw will take place in Sacramento on: **June 11, 2003, 1:30 p.m., at 1430 N Street, Suite 6308, Sacramento, California, 95814.** CDD will alert applicants of the need for a random draw via the Internet at the CDD Web site listed on the front page of the Management Bulletin. The random draw process is open to the public to observe.

B. Application Results Notification

All applicants will be notified by mail of the funding results. CDD will issue one of the following notifications to the Executive Officer identified in the application:

1. **Rejection Letter** - Application does not meet the submission requirements identified under this bulletin.
2. **Unsuccessful Letter** - Funds were fully expended to applicants who placed higher in the funding rank order as a result of the random draw.
3. **Final Award Letter** - Application is eligible for an award of funds.

CDE reserves the right to reduce funding awards so that FRR funds may be apportioned to as many eligible applicants as it deems to be in the best interest of the state.

In the event additional funding becomes available during the course of the budget year, those agencies that were not selected in the random draw will remain on an active funding list through the fiscal year 2003-2004. CDD may continue to fund projects from this list until all applications have been funded or the allocation of funds are exhausted, whichever occurs first.

6. PAYMENT PROVISIONS

Contractors selected for funding will enter into a separate contract (also known as a Local Agreement for Child Development Services) with the State of California. This contract specifies the performance period during which expenditures will be made and incorporates the information contained in the approved application. Any amendments to the contract requires prior written approval by CDD. CDE will only grant amendments during the performance period specified in the contract.

The contract performance period begins June 15, 2003, and ends June 30, 2005. Funding authority expires on June 30, 2005, for funds distributed through this Management Bulletin. Therefore, all projects must be completed before June 30, 2005. CDE will not authorize requests to extend the performance period.

An agency may decline the funding award by notifying CDE and returning the contract unsigned. If a successful applicant fails to finalize the contract for FRR funding, CDE reserves the right to withdraw the award of funding. CDE also reserves the right to negotiate the estimated project costs and scope of work and modify the amount of funds awarded if changes cannot be mutually agreed upon.

CDE's Child Development Fiscal Services (CDFS) unit will advance one hundred percent (100%) of the award to successful applicants contingent upon CDE/CDD's receipt of the following:

1. A completed and signed contract; and
2. Completed documents for project approval and release of funds included in the contract package. These documents must be returned to CDD by the due date specified in the transmittal letter. Project approval and release of funds documents include, but may not be limited to, the following:
 - **Property Owner Information and Certification** - Certification of three-year lease or usage agreement by the legal owner of the property. CDD encourages agencies to confer with property owners prior to the submission of the application to confirm agreement with the property owner to certify the property will be available and used to serve subsidized children in a CDE program for at least three consecutive years from the date the contract is executed.
 - **Project Description and Estimated Costs** - Description of repairs and renovations for approvable projects with estimated costs.
 - **Description of Need** - Justification of facility projects to bring facilities into compliance with ADA and Title 22, Division 12 licensing requirements.
 - **Multiple Site Total Estimated Costs** (if applicable) - Summary worksheet required for contractors submitting requests for FRR projects at more than one site.

If the contractor does not return the required documents for project approval and release of funds to CDD by the specified due date, CDE will rescind the contract.

If the contractor is unable to complete the approved projects by the end of the performance period described in the contract, the contractor will be billed for the uncompleted portion of the projects. Any expenditure(s) that exceeds the amount of the award specified in the contract will be the responsibility of the contractor.

7. RESPONSIBILITIES ONCE THE CONTRACT IS AWARDED

For private agencies, all equipment purchases, subcontracts, and proposed work, unless performed by contractor's staff, exceeding five thousand dollars (\$5,000) will require at least three (3) bids or estimates. The contractor shall award the contract to the lowest responsible bidder. If three bids or estimates cannot be obtained, the contractor shall maintain adequate documentation of the reason(s) why three bids or estimates could not be obtained (e.g., an emergency situation) as well as the reasonableness of cost in the absence of competition. Public agencies shall comply with applicable sections of the *Public Contract Code*.

Improvement of sites and adjacent grounds to meet or continue to meet *California Code of Regulations*, Title 22 Community Care Licensing Standards is authorized if the improvements do not unnecessarily increase the value of a facility.

The contractor shall not split subcontracts to avoid competitive bidding requirements. The budget for a proposed subcontract for renovation and repair shall show the total cost of labor and the total cost of materials. Contractors shall demonstrate that approval of the subcontract is cost effective to the state. For proposed renovation and repair subcontracts, private agencies shall maintain documents showing that the bidder selected by the contractor has obtained a payment bond in an amount not less than one-half (1/2) the amount of the proposed subcontract.

The State does not assume any responsibility for performance of approved subcontracts nor does the State assume responsibility for any unpaid debt of the contractor resulting from subcontracting liens.

Subcontracts that increase the contractor's cost of performance are nonreimbursable. Subcontracts which contain a provision for reimbursement for cost-plus-a-percentage-of-cost are nonreimbursable.

The agency must report expenditures to CDFS each fiscal year on form CDFS/CD 9529 and is subject to audit according to contract terms. Because the contract performance period will extend over two years, two audit periods may be affected. For information regarding the completion of form CDFS/CD 9529, please refer to the reverse side of form CDFS/CD 9529 and the School Accounting Manual.

The contractor and property owner must comply with their commitments to ensure the facilities benefiting from the use of the funds described in this Management Bulletin will be available for, and used to serve, subsidized children in a CDE child care and development funded program FOR AT LEAST THREE CONSECUTIVE YEARS from the date of contract completion.

If the contractor voluntarily elects to move the program(s) benefiting from the funds described in this Management Bulletin to a new site, CDE will bill the contractor for an amount related to the portion of the three years the facility is not in use by a CDE program.

If the property owner requires a CDE contractor to vacate the site where the funding was expended, CDE will bill the property owner for an amount related to the portion of the three years that the facility is not available to a CDE program.

CDE will bill agencies for any unauthorized project expenditures or expenditures that exceed the prorated cost calculations described in this bulletin.

The total costs represented in the application are *estimated* project costs. CDD acknowledges that some adjustments to the proposed use of funds may be necessary after the contract is executed. If adjustments to the proposed estimated costs occur which result in a change in the scope of work or a change in the project costs, a contract amendment is required before work commences. Contractors may contact CDD to request a contract amendment. All contract amendment requests must be made by May 6, 2005.

If you have questions regarding this application, please contact Cheryl Umbay, CDD, at (916) 445-4820.

/s/ Michael Jett

Michael Jett
Director
Child Development Division

/s/ Kathy B. Lewis

Kathy B. Lewis
Associate Superintendent
Child, Youth and Family Services Branch

Attachments: 2003-2004 Application

This Management Bulletin is mandatory only to the extent that it cites a specific statutory and/or regulatory requirements. Any portion of this Management Bulletin that is not supported by a specific statutory and/or regulatory requirements is not prescriptive pursuant to Education Code 33308.5.